

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2083 - SB 2048

March 5, 2020

SUMMARY OF BILL: Expands the role of the Office of Inspector General (OIG) within the Department of Finance and Administration (F&A) to include an independent and nonpartisan office with the responsibility of ensuring state officials and state employees meet the highest standards for integrity, efficiency, and accountability.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$773,100/FY20-21
\$412,600/FY21-22 and Subsequent Years**

Assumptions:

- The OIG was created pursuant to Tenn. Code Ann. § 71-5-2502 and is separate and distinct from the TennCare Bureau and the Medicaid Fraud Control Unit.
- The OIGs current defined purpose is to identify and prosecute beneficiaries who defraud TennCare. This bill expands the role of the OIG to include responsibility for ensuring that all state employees and officials meet standards of integrity, efficiency, and accountability.
- Expanding the role of the OIG cannot be accommodated utilizing existing resources. F&A will require five positions: Associate Counsel, HR Communications Manager, OIG Forensic Accountant, Executive Administrative Assistant 2, and FA Program Director 3.
- The one-time increase in state expenditures is estimated to be \$360,500 (\$8,000 computer cost + \$352,500 construction and furnishing office space).
- The recurring increase in state expenditures is estimated to be \$412,600 (\$312,384 salaries + \$84,716 benefits + \$15,000 professional services + \$500 supplies) in FY20-21 and subsequent years.
- The total increase in state expenditures in FY20-21 is estimated to be \$773,100 (\$360,500 + \$412,600).
- The OIG is currently funded by the Division of TennCare. However, due to the new, expanded role of the OIG outside the scope of the TennCare program, the proposed legislation is assumed to be funded by state dollars.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- The proposed legislation will not have a significant impact on commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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